



**Environmental Services Division**  
Energy and Waste Management Bureau

For Immediate Release  
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**Prices Fall in Iowa, but Price Disparity Exists**

Gasoline prices in Iowa fell 10.65 percent statewide in August, but while prices have fallen dramatically in the central and western parts of the state, Eastern Iowa prices are not dropping as quickly. In the last month, gasoline prices in Des Moines have fallen by 14.1 percent, while in Iowa City prices have fallen just 5.7 percent. Other cities in the state have witnessed double digit percentage point price decreases: Fort Dodge, 11.75 percent; Sioux City, 10.51 percent; Council Bluffs, 10.4 percent. The only city in Eastern Iowa which experienced a double digit percentage point loss was Davenport, where gasoline prices fell by 10.2 percent. The Davenport decreases in price can be attributed to the strength of retail competition in the Quad Cities.

“There is a \$0.33 per gallon difference between the price in Des Moines and the price in Iowa City,” said Brian Crowe, an Iowa Department of Natural Resources Energy Analyst. “Traditionally, Eastern Iowa does pay a higher price for gasoline than the rest of the state. The higher prices are mostly due to the transportation costs to the retail level, more industrialization and usage, and closer proximity to Illinois and Wisconsin where prices are traditionally higher. With a lower volume of supply in the market, retailers from the eastern portion of the state at times have to come to Des Moines to get product, adding to transportation costs.”

Iowa gasoline prices in August average \$2.77 per gallon of 10 percent ethanol blended mid-grade gasoline. That is a 10.7 percent decrease from the average price in July of \$3.10 per gallon of the same blend. Prices in Iowa are equal to the national average price of \$2.77 per gallon of gasoline. Prices in the Midwest had been above the national average when supplies tightened with continued refinery and supply issues. Supply relief will come as refineries are expected to come back on-line shortly, most importantly the Coffeyville refinery in Kansas which was flooded in June. It is expected that Coffeyville will come back on-line in September adding 108,000 barrels a day of petroleum products into the region. National gasoline demand decreased 1.42 percent to 9.572 million barrels a day in August. That equates to a reduction of gasoline usage by Americans by almost 5.8 million gallons of gasoline per day.

Diesel fuel in Iowa currently costs \$2.98 per gallon, \$0.03 higher than the \$2.95 price per gallon in July. Nationally diesel fuel is priced at \$2.85 per gallon. Diesel demand has increased in August to 4.2 million barrels a day. Demand for diesel is up 7.7 percent from 3.9 million barrels a day, one year ago.

August crude prices have cooled to \$71.49 per barrel, a 7.2 percent decrease from \$77.03 per barrel in July, when the price for West Texas Intermediate Crude approached record highs. Despite the price decrease in August United States crude oil prices are still up almost 39 percent since the year low price in January of \$51.51 per barrel.

On August 15<sup>th</sup> natural gas was trading at \$7.30/MMBtu, \$1.04 higher than the July price of \$6.26/MMBtu. The August price jump comes after prices in July were at their lowest levels since January. Even with the increase in the past month prices are still only 4 percent higher than they were at this time last year when natural gas traded at \$7.01/MMBtu.

A survey completed by the Iowa Department of Natural Resources on August 15<sup>th</sup> indicated that the average retail price of heating oil in Iowa was \$2.61 per gallon, \$0.03 higher than last month, but \$0.26 lower than the price of heating oil at this time last year. The same survey found that propane was selling for an average of \$1.58 per gallon

across the state, \$0.01 higher than a month ago, and \$0.34 higher than the price at this time last year.

### 10% Ethanol Average Retail Price Per Gallon -- Major Iowa Cities

Self-Serve Ethanol	8/15/07	7/20/07	Difference
Ames	\$ 2.83	\$3.09	-\$0.26
Cedar Rapids	\$ 2.87	\$3.11	-\$0.24
Council Bluffs	\$ 2.67	\$2.98	-\$0.31
Davenport	\$ 2.72	\$3.03	-\$0.31
Des Moines	\$ 2.62	\$3.05	-\$0.43
Dubuque	\$ 2.87	\$3.08	-\$0.21
Fort Dodge	\$ 2.78	\$3.15	-\$0.37
Iowa City	\$ 2.95	\$3.13	-\$0.18
Sioux City	\$ 2.81	\$3.14	-\$0.33
Waterloo	\$ 2.80	\$3.11	-\$0.31
Webster City	\$ 2.84	\$3.15	-\$0.31
Average Metro Price	\$ 2.77	\$3.10	-\$0.33

Source: Oil Price Information Service, [www.opisnet.com](http://www.opisnet.com)

### Motor Fuels Survey State Average Price Per Gallon

Self-Serve	8/15/07	7/19/07	Difference
Regular Unleaded with 10% Ethanol	\$2.77	\$3.10	-\$0.33
Regular Unleaded	\$2.75	\$3.14	-\$0.39
Premium Unleaded	\$2.84	\$3.24	-\$0.40
Diesel	\$2.98	\$2.95	+\$0.03

Source: Oil Price Information Service, [www.opisnet.com](http://www.opisnet.com)

### Heating Fuels Survey

Heating Fuel Type	8/15/07	7/15/07	Difference
Natural Gas	\$7.30/MMBTU	\$6.26/MMBTU	+\$1.04
Propane	\$1.58	\$1.57	+\$0.01
#2 Heating Oil	\$2.61	\$2.58	+0.03

Sources: Wall Street Journal, Iowa Department of Natural Resources